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23 September 1981

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM : Robert M. Gates

SUBJECT : The Personnel System

We have discussed over the months--and more intensively in recent days--the dearth of rising senior managers with broad, Agency-wide perspective or breadth of experience outside their narrow, directorate-oriented career tracks. While we have been over many of the points below at one time or another, I think it would be useful for you to have them in one place. Also, I think there may even be a new idea or two.

Bureaucracy: CIA above all other institutions in Washington should be a place where bureaucracy is minimized and senior management creatively and innovatively--and with high priority--focuses on ways to arouse and maintain a lively intellectual atmosphere: an environment where people are encouraged by managers at all levels to think new thoughts, to approach problems with new perspectives and methodologies, to entertain bold new departures and ways of doing things, to think broadly and look for connections and relations between events, trends and developments. In short, one of management's priority objectives throughout the Agency should be to fight bureaucratic routine and established ways of thinking as absolutely inimical to collecting information and producing the best possible analysis as well as the most effective covert operations. I hardly need point out that one would not now characterize CIA in the above vein.

A certain curb on bureaucratic tendencies is introduced into other departments of the government with the appointment, on a regular basis, of outsiders who come in to be assistant secretaries or hold other senior management positions. These people not only bring new ideas, fresh perspectives and energy, but they often require (either explicitly or implicitly) people to look again at existing programs and procedures and to justify them anew in the context of existing conditions and priorities. Obviously, there are occasional outsiders who end up causing more harm than help, but overall I believe that they contribute to the effectiveness of the government.

Our experience in CIA with outsiders at the directorate level has been mixed, but generally not very satisfactory. It turns out that intelligence is indeed something of a craft and that even in the analytical area those from the outside

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who have no experience in intelligence either take a long time to abandon advocacy and learn how to use intelligence sources wisely or they simply don't work out at all for a variety of reasons. Thus, while some outsiders may find a place in CIA (perhaps more readily in the NIO operation than anywhere else) on the whole our experience has not been one to encourage their wholesale use as a means of reviving creativity around here.

My view is that the senior managers who will run the CIA for the most part need to come from within, and that this places a special responsibility on the highest levels of the Agency to develop programs that will force highly talented younger people out of their narrow career tracks for at least a year or two and into a completely different environment--either other agencies of the government (preferably those that have to deal with CIA), apprenticeships at senior levels in international business corporations (like Presidential Exchange Fellows come here), time at a university, or other possibilities as well--but certainly not just internal rotations. Without such a conscious effort by senior Agency management, CIA will end up (as it already has) with a cadre of senior managers who have virtually no experience outside the intelligence bureaucracy. Their perspectives by necessity will be narrower and their ability to understand the needs of the policymaker and more broadly the national security needs of the country will be inadequate. This is why so few in this building seem able to grasp or identify the kinds of issues that should be explored in a timely way for policymakers. It seems ridiculous that the DCI and the DDCI and their hired gun should provide the only intellectual spark in the place. Surely someone else should be able to ask the right questions. Again, outsiders are at a disadvantage because they do not understand intelligence; insiders have a hard time because they don't understand the outside world. If our leaders are to be homegrown, they had best be more carefully nurtured and occasionally placed outside the hothouse.

Periodically your predecessors have considered establishing one career service for CIA. While the idea has its merit, the fact is that the political cost would be extraordinary and at a time when you need all the clout you can muster for the budget, legislation and other measures to revive this place. I believe, in view of the present political realities, that any effort to improve the personnel system must be within the context of the present system of several separate career services. Nevertheless, the DCI and DDCI should take a greater hand in overseeing those career services and ensuring that the special training and outside opportunities outlined above are in fact provided.

Training: Another problem with personnel management here is that in the training area there seem to be only two settings on the throttle: full speed ahead or full stop. In other words, with respect to outside training we either want to send someone away for a year or two full-time or we don't do anything except what we can accomplish in-house. But is there not intrinsic merit in requiring analysts--all analysts--every couple of years to repair to one of the local universities for a refresher in the politics, economics or culture of the country that he or she is working on? Let the Agency pay the cost of the semester course and let the analyst have a little time off to work the course. But the dead hand of routine and being stuck behind a desk is the worst enemy of quality analysis (and in my view probably of quality collection as well).

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Your DDs are preoccupied with performing the day-to-day work that must be accomplished. For that reason, they regard any training other than languages (in the DDO, for example) as not very useful and as time away from "real work." Their attitude toward intellectual creativity and toward people recharging their mental batteries is indicated by their hostility even to the existence of the Center for the Study of Intelligence, which Colby set up and which now the DDs are working to abolish. The idea of a place where intelligence officers could go for three or four months to read and think and write about problems of intelligence and about issues facing intelligence officers, whether it be dealing with policymakers or codes of ethics in the clandestine service and so on, seem to be anathema to the senior management.

Reorganization and Quality: I made the point in the very first paper I wrote to you on the problems of analysis in CIA that always in the past CIA's response to criticism of the way it does its work, especially in the analytical area, has been to reorganize. While there is great merit in the reorganization that McMahon has undertaken, you should not be fooled into thinking it will have any impact on the quality of analysis. You are still working with the same managers and you are still working with the same analysts and until the mindset of both has been altered concerning the potential contribution of people outside this building; the importance of orienting analysis to the future; a willingness to take a few analytical risks; the paralyzing fear of being wrong; their belief that there is but one outcome to any series of events; and the unwillingness to look for and identify relationships between events, you will have no improvement in the quality of intelligence. Similarly, until decades-old DDO attitudes are broken, to wit that they do their work the best it can be done; that outsiders, particularly in this country, cannot really help them (DCD), and that some experience outside the DDO is of value, quality collection by case officers with a little broader perspective will not be possible.

Selection Out: You have mentioned in recent days the desirability of weeding out younger people who do not show an aptitude for intelligence work. As I commented at the time, your problem is primarily not with the younger people--who tend to be much better trained and much broader in their horizons than their predecessors--but rather middle level people at grades 11 through 15 as well as many supergrades who have gotten tired and quit in place, have run out of ideas and originality, or simply are not up to the work. But it is these middle level people and a percentage of more senior people who are absolutely critical to weed out. The problem is that the Agency has protected these people in most instances for a number of years and thus you have no documented basis on which to get rid of most of them. Firing them would simply entangle you in litigation for a long time. What is needed is perhaps more emphasis from the DCI/DDCI, consistently applied over a several year period, that managers at all levels evaluate marginal performers for what they really are and thereby establish a record on the basis of which it would not be a problem to ask these people to move on. But I feel very strongly that the problem is in this area rather than with the younger folks.

Advancing Younger People to Senior Positions: Without a major effort, consistently applied, you are whistling Dixie if you think that most of the components in this Agency are going to advance people in their upper 30s or early to mid 40s to senior management positions at the level of office/division

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chief or associate deputy director. There is one exception: NFAC has a remarkably young cadre of senior leadership, so much so that there is going to be considerable difficulty with burnout as people occupy senior jobs for long periods of time without being moved or promoted. But in the other three directorates, the problem is just the reverse. It is perhaps worst in the DDA where people choose a career field in one area and tend to stay with it for a long time. Examples include the Office of Finance and the Office of Security. In the latter case, there are 11 supergrades, all of whom are over age 50. Should all of those people retire in the next two or three years, the Office of Security would have to look to a GS-15 as the new Office chief, if they were to select from within. They have consistently failed to promote younger people to the supergrade positions so that they have some sort of line of succession. My guess is you would find a similar situation though not as serious in the DDO as well. In short, exhortation will not lead your senior managers to move younger people into senior management positions. The only way that can be done is by your directing it, and that in itself is likely to wreck the career of a budding young officer once you are gone. In short--this one is a particularly tough nut to crack.

In sum, as a result of the lack of innovative and creative personnel management, I believe this Agency is chock full of people simply awaiting retirement: some are only a year or two away and some are twenty-five years away, but there are far too many playing it safe, proceeding cautiously, not antagonizing management, and certainly not broadening their horizons, especially as long as their own senior management makes it clear that it is not career enhancing. How is the health of CIA? I would say that at the present time it has a case of advanced bureaucratic arteriosclerosis: the arteries are clogging up with careerist bureaucrats who have lost the spark. It is my opinion that it is this steadily increasing proportion of intelligence bureaucrats that has led to the decline in the quality of our intelligence collection and analysis over the past fifteen years--more so than our declining resources (which did not really affect analysis or FI collection all that dramatically) or Congressional investigations or legal restrictions. CIA is slowly turning in to the Department of Agriculture and only an understanding on the part of the deputy directors of what is happening and how to fix it will bring you the improvements in the DDO and NFAC that you seek and have set as your primary objectives.

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